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# AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE DIVISION OF COOPERATIVE MARKETING,  
BUREAU OF AGRICULTURAL ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

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## NEW RECORDS ESTABLISHED IN CALIFORNIA

New records have been established by the California Fruit Growers' Exchange, Los Angeles, for the second season in succession. A year ago the management of the organization reported handling a larger number of boxes of fruit than ever before, and receiving returns, f.o.b. California, which were the largest in the history of the association. This year even the high marks of a year ago have been passed. Nearly two million more boxes of citrus fruit were handled during the year ending October 31 than in the previous year, and returns, f.o.b. California, were more than four million dollars greater than for the preceding year.

During the last business year the association handled 22,266,612 boxes of fruit. Of this quantity 80 per cent was oranges and grapefruit and 20 per cent was lemons. The management of the association estimates that the shipments of the Exchange were 71.5 per cent of the total shipments of citrus fruit from the state for the year, compared with 73.2 per cent for the preceding year, and 72.3 per cent for the five years, 1920-1925.

Sales f. o. b. California, for the 1926-27 year amounted to \$85,295,840. It is stated that the total amount brought to California by the Exchange since the dissolution of the California Fruit Agency in 1904, is \$817,000,000, and that credit losses on this vast volume of business have amounted to less than \$40,000.

The cost of the Exchange service, exclusive of advertising, for the past year is given as 6 cents a box; and the average costs of the services of the district exchanges, 1.37 cents; making the costs for the central and district associations 7.37 cents a box, or 1.92 per cent of the f.o.b. returns.

The deductions for advertising, which were in addition to the operating costs, were  $4\frac{1}{2}$  cents a box for oranges and 7 cents a box for lemons. Total costs for operation and advertising are given as 3.23 per cent of the f.o.b. value of the fruit.

Shipments of grapefruit for the year amounted to 709 cars, compared with 543 cars the preceding year, and 385 cars for the year before that.

The 1926 crop of lemons was the largest in the history of California citrus growing and was greater than the consumer demand. Although the demand for lemons has been greatly stimulated during recent

years, production has increased at a more rapid rate. Consequently, larger quantities of lemons of the 1926 crop were used in the by-products plants owned by the Exchange members.

Export shipments by the Exchange have been increasing during the last three years, as will be noted by the following figures showing the number of boxes of citrus fruit sent to foreign countries: 1922-23, 17,863 boxes; 1923-24, 62,764; 1924-25, 32,315; 1925-26, 216,969; 1926-27, 500,000.

The management reports that a wide distribution has been obtained in the European markets for California citrus fruit.

The work of the growers' service bureau in behalf of increased membership was continued during the year. This work is carried on in cooperation with the district exchanges and the local associations. During the year a publicity campaign was conducted through the local newspapers in the citrus fruit area. This campaign supplemented the direct solicitation of growers and shippers who might become members. Stress was laid upon the work that the Exchange is performing in the interests of the entire industry and the further advantages which would result from an enlarged support of the growers' organization.

Since beginning to advertise twenty years ago, the Exchange has spent nearly \$9,000,000 in developing a demand for its citrus fruits. The advertising campaign for the 1926-27 season included magazines, newspapers, posters and dealer aids. Nineteen national magazines reaching 26,882,760 homes carried 173,911,843 individual advertisements. Three newspaper campaigns were conducted, one at Christmas time for Sunkist oranges, another in spring and early summer, and the third during the fall months, when hot lemonade was featured. Four hundred newspapers were used and circulation was given to 292,500,000 individual advertisements.

Among the special pieces of advertising matter distributed during the year were: 1,546,472 copies of Sunkist bulletins to domestic science teachers; 140,640 dietetic bulletins to nurses' training schools and hospitals; 12,923 bulletins of recipes, menus and merchandising information to tea rooms, cafeterias, etc.; 19,692 colored posters to elementary schools for use in art and health classes; 16,741 educational wall charts to commercial geography classes; 15,000 copies of a new text book and syllabus on California's citrus industry to elementary grade teachers; and 10,102 Sunkist recipe file cabinets were sold to girls in home making classes in high schools.

Twenty-three permanent dealer-service men and ten temporary men were employed in aiding retailers develop a demand for Sunkist fruit. Personal calls were made on 51,391 dealers in fresh fruit, 29,991 window displays were installed, 5,889 fountain displays were arranged, 261,645 pieces of advertising matter were distributed, and 7,100 fruit juice extractors were sold. A new publication, the Sunkist Extractor News, was started and 184,468 copies were mailed to owners of extractors.

CALIFORNIA APPLE GROWERS POOL MARKET INFORMATION

Close to 100 per cent of the California growers of Gravenstein apples united this year in a growers' cooperative organization for the purpose of directing shipments, minimizing losses, and working toward more intelligent distribution. All the various competing factors in the deal were united and growers' representatives were given the final and authoritative control.

Prior to the opening of the season a central board met and suggested minimum prices for the different grades and sizes of Gravenstein apples. In all, 906 cars were shipped, of which 492 moved to domestic markets and 414 into export channels.

One of the shipping units was the Gravenstein Apple Growers' Cooperative Association, with offices and main packing plant at Forestville, Calif. This organization shipped about 100 cars of fruit which brought the growers a net sum of \$128,000. Association deductions amounted to 54 cents per packed box, or 37 cents for loose choice stock. Within the last three years this small group of growers has completely equipped and paid for one of the best packing plants in the entire district, valued at nearly \$50,000, all from the earnings of the local association and the California Fruit Exchange of which it is a member unit.

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MANY ADDITIONS TO "BIG Y" ASSOCIATION

Two hundred fifty-two new members have been added to the Yakima Fruit Growers' Association, Yakima, Wash., during the present year. This brings the total membership above one thousand, and with the additional 2,473 acres the total acreage is now considerably above ten thousand. Approximately one-third of this new acreage is from the Yakima district, and the need for an entirely new plant at Yakima, with much larger cold storage, is evident. The possibility of constructing such a plant in 1928 is under consideration.

Two large new plants are in operation this year and new equipment has been installed in other plants, making it possible to handle more fruit advantageously. New high records were established when the packing crews turned out 140,000 boxes the week of October 14, and 151,622 boxes, approximately 200 cars, the week of October 21, "without friction or delay or bursts of speed at any point."

Although the "Big Y" has storage space for 1,000 cars at seven plants through the valley, it has become necessary to purchase more space in order to handle the 1927 crop. Fifty cars of space have been bought and it is probable that 50 cars more will be needed. In addition to this the association will utilize some common storage space for a short time. Fruit placed in common storage will either be moved direct to market, or later in the season may be shifted into cold storage space vacated by the earlier varieties of apples.

NEW ASSOCIATION OF CALIFORNIA LEMON GROWERS

During the first full year of operation the Chula Vista Mutual Lemon Association, Chula Vista, Calif., handled fruit to the value of \$75,000. This organization was set up by 65 lemon growers for the purpose of operating a packing house and of buying fertilizers, seeds and other needed supplies.

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FLORIDA CITRUS ASSOCIATION ERECTS NEW PACKING HOUSE

A new packing plant has been completed by the Kissimmee Citrus Growers' Association, Kissimmee, Fla. Last year it became evident that a new plant was needed at once. Even running night and day it was impossible to handle all the fruit offered and the association had to refuse 30,000 boxes of new business. With the aid of a loan from the Growers' Loan and Guaranty Company, a subsidiary of the Florida Citrus Exchange, a new and roomy site was purchased and a new building erected and equipped with all modern conveniences. The packing house is 128 by 140 feet and in addition to grading, sizing and packing machinery it has precooling equipment of the latest type with a capacity of eight cars a day. The side track holds ten cars and ground for expansion has been provided by the purchase of two blocks on the railroad.

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AVOCADO ASSOCIATIONS IN CALIFORNIA

The Calavo Growers of California, Los Angeles, organized in 1924, transacted business to the amount of \$300,000 during the 1926-27 season, compared with \$180,000 for the preceding year. It is serving about 330 avocado growers in selling fruit and purchasing orchard supplies. The net worth of the association was \$11,823 on September 30, 1927. Excess of income over expenses for the year amounted to \$2,482.

Many of the fruit growers who are members of the Calavo Growers of California are also members of the California Avocado Association, an organization which has been functioning since 1915 "to improve the culture and production, and to promote the general welfare of the avocado as a horticultural industry." This association maintains an information bureau to answer questions pertaining to the various phases of the industry, from buying land to sale of fruit. It makes exhibits at county fairs, orange shows and food shows, and carries on a continuous campaign for the standardization of avocados, endeavoring to prevent the sale of worthless, immature or damaged fruit, thus safeguarding future demands for this new product.

TEXAS TO HAVE COARSE GRAINS POOL

In response to a demand the Texas Wheat Growers' Association, Amarillo, has taken necessary steps to start a coarse grains pool. A board of directors has been selected and a charter applied for. As soon as this is granted, contracts will be executed and the pool will begin to function. Numerous requests for contract blanks have been received and it is expected that some of the 1927 crop will be handled through the new pool.

The plan of operation provides for a cross contract with the directors of the Texas Wheat Growers' Association to market the coarse grains through their sales agency; which it is believed can be done more economically than by maintaining a separate sales agency.

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FARMERS' GRAIN ELEVATOR IN THE CORN BELT

The Wallace Grain and Supply Company, located near Ottawa, Ill., was organized in 1908 for the purpose of marketing its members' surplus grain and purchasing the supplies needed by them. Such net gains as result from the business activities go to swell the surplus account.

The company operates one elevator. Corn is the principal grain handled, although a fairly large quantity of oats is marketed and a small quantity of wheat. The supplies purchased include practically all of the requirements for general farming.

Growth of the enterprise since 1920 is indicated by the following figures:

Year	Grain marketed			Supplies purchased *		
	Corn (Bushels)	Oats (Bushels)	Wheat (Bushels)	Coal (Tons)	Woven Wire (Rods)	Twine (Pounds)
1920	289,793	172,944	4,494	571	3,736	19,785
1921	316,851	159,526	1,532	780	2,767	22,845
1922	346,521	116,069	5,887	924	2,480	12,000
1923	316,096	130,975	11,016	1,003	4,410	10,000
1924	278,055	117,188	4,089	1,139	3,820	10,000
1925	263,735	127,203	1,400	1,234	2,320	10,000
1926	322,640	109,291	2,779	1,700	1,740	16,000

\* Other commodities purchased were: seeds, hay, feed, flour, salt, coffee, sugar, barbed wire, fence posts, gates, nails and staples, cement, brick, lumber, lath, shingles, building paper, plaster.

NEW SURPLUS MILK PLANT FOR IOWA COOPERATIVE

At a special meeting of the membership of the Des Moines Cooperative Dairy Marketing Association, Des Moines, Iowa, plans were made preparatory to the erection of a new plant for handling surplus milk. It was decided to increase the amount of authorized share capital from \$100,000 to \$180,000. With this change the limitation on indebtedness will be sufficiently high to permit the association to borrow the money needed for pushing forward construction work.

During October, 628,654 pounds of milk was handled at the present surplus plant. This was an average of over 20,000 pounds a day.

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COOPERATIVE CHEESE FACTORY FIFTY-FOUR YEARS OLD

One of the oldest cooperative dairy marketing associations in the Northeastern United States is the Monroe Cheese Company, at Monroe, Me. This association was organized in 1873 and incorporated in 1875. The association serves 60 dairy farmers. For the year 1926 it received 4,632,427 pounds of butterfat for which it paid the producers an average of 58 cents a pound. During the year, 5,052 cheeses weighing on the average  $23\frac{1}{2}$  pounds, were made. Of the total number, 4,884 were sold for \$28,770. Patrons were paid \$25,115, or 87 per cent of the receipts. Expenses for the year were \$3,746. Sales by this association during recent years have been as follows: 1922, \$13,000; 1923, \$25,000; 1924, \$29,002; 1925, \$29,009.

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MINNEAPOLIS MILKMEN ARE TO SING

"Come and hear your milkman sing" is the slogan being used in advertising a concert by employees of the Franklin Cooperative Creamery Association, Minneapolis. The Franklin Co-op Male Chorus is one of the many devices employed by this cooperative milk distributing enterprise to maintain a high morale among its employees, members and patrons. The chorus has been furnishing entertainment on various occasions for the past two years and some time ago gave a concert which proved to be an outstanding success.

Another Franklin enterprise is a credit union which was formed among the members of the association in February, 1927. The union already has 377 members, of whom 60 have made loans from the union and 50 have opened savings accounts.

At the close of business on September 30, 1927, the property of the association had a depreciated value of \$1,126,346. The association had a net worth on the same date of \$1,097,288, including surplus and undivided profits to the amount of \$143,388.

### OHIO ASSOCIATION SELLS DAIRY AND POULTRY PRODUCTS

At the end of its first six months of operation the Fayette County Cooperative Marketing Association, Washington Court House, Ohio, had sold farm products to the amount of \$84,953. Its net earnings for the six months amounted to \$1,353.

The association was set up under farm bureau auspices for the purpose of marketing dairy and poultry products under as favorable conditions as could be created by collective effort. The quantities of products handled for the six months and the sales values were as follows: butterfat, 45,415 pounds, \$22,968; whole milk, 38,128 pounds, \$23,551; butter, ---, \$213; poultry, 45,540 pounds, \$9,535; eggs, 4,400 cases, \$28,686. Gross earnings for the six months were \$8,546 and expenses were \$7,193.

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### ANNUAL MEETING OF "NEMPA" AT BOSTON

About 400 members of the New England Milk Producers' Association attended the annual meeting held in Boston recently. The reports of the officers presented at this meeting were for the tenth year of active operation, the organization of the present association having been completed in June of 1907.

The president of the association, as a part of his annual address, extended a welcome "born of and saturated with deep rooted convictions that tell me in unmistakable language that if the milk producers of New England are to secure for themselves the advantages possible, and, at the same time, are to create the healthiest possible condition in the markets where they sell their milk, they must do the job for themselves and not trust the manipulators of their product to do something for them that they neglect to do for themselves."

A net gain in membership of 405 was reported, making the total membership at the time 20,123. During the year 1912 names were added to the list and 1507 names were dropped because the men were no longer producing milk.

In the past year the fourth field service district was established with a resident manager at Rutland, Vt. Headquarters for the other districts are at Augusta, Me.; St. Johnsbury, Vt., and St. Albans, Vt.

Total net income of the association for the year ending September 30, 1927, was \$93,043 and expenses were \$88,773, leaving an excess of income over expenses of \$4,269. The net worth of the organization on September 30 was \$6,626.

### DIRECT SALE OF HOGS TO PACKERS IN OHIO

The direct-to-packer marketing of hogs is on the increase in Fayette County, Ohio, according to a recent report from the Fayette Producers' Company, Washington Court House, Ohio. That cooperative enterprise marketed 668 floors through the direct route in 1925; 880 floors in 1926; and 1,155 floors for the first ten months of 1927.

The dressing weight for the hogs sold direct varies from 74 per cent to 79 per cent of shipping weight. For hogs weighing less than 200 pounds it is around 75 per cent, and for hogs weighing 200 pounds and over, it ranges from 76 to 79 per cent.

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### COOPERATIVE HOG SALES IN CALIFORNIA

During the nine years ending with September 30, 1927, the California Farm Bureau Marketing Association, Bakersfield, Calif., conducted 1,352 auctions at which 353,503 hogs were sold for \$7,558,409. The number of sales per year has varied from 103 in the 1925-26 season to 195 in the 1919-20 season.

The association is serving the hog producers of seven counties. When it began functioning in 1918 it handled only about one-half of the hogs sent to market, but now it receives and sells about 90 per cent, however, the farmers served are working out of hog growing.

Approximately 70 per cent of the total number of hogs sold came from two counties, Tulare and Kings. The exact percentages of total hogs sold credited to the several counties, are as follows: Tulare, 43.8 per cent; Kings, 26.1 per cent; Kern, 12.3 per cent; Fresno, 7.3 per cent; Madera, 4.3 per cent; Stanislaus, 4.3 per cent; Merced, 1.9 per cent.

The history of this marketing enterprise is told in part by the figures showing sales, number of hogs handled and sales value for each of the nine seasons. These figures are given below:

Season*	Sales (Number)	Hogs Sold (Number)	Amount of sales
1918-19	139	39,388	\$1,316,072
1919-20	195	51,849	1,467,834
1920-21	181	44,783	940,256
1921-22	184	43,204	754,247
1922-23	141	48,721	716,961
1923-24	168	45,363	584,830
1924-25	135	25,999	549,251
1925-26	103	22,362	566,728
1926-27	106	31,834	662,230

\* Year ending September 30.

ARKANSAS COTTON ASSOCIATION FORMING LOCAL UNITS

Local units of the Arkansas Cotton Growers' Cooperative Association, Little Rock, Ark., have been set up in eleven counties. These county organizations are for the purpose of assisting in working out the plans of the state organization. Different activities are being taken up by the locals, according to local needs and the experience of the local leaders. In some of the counties attention is being given to the improvement of the quality of cotton produced and to standardization problems. Members are furnished with certified seed for planting small plots, with the aim of increasing the amount of good seed and eventually producing a better grade of cotton. Some of the local units are undertaking the cooperative buying of seed and fertilizer. All the counties have committees for assisting members in the proper shipping of their cotton to the State association, and committees on entertainment.

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LOUISIANA COTTON ASSOCIATION INFORMS MEMBERS

The auditors' report of the activities of the Louisiana Farm Bureau Cotton Growers' Cooperative Association, Shreveport, La., for the 1926-27 season has been made available to the entire membership through publication in the Louisiana Farm Bureau News. This report states that 55,343 bales of cotton were sold for \$4,122,223, that the expense directly chargeable to the cotton, which expense was almost entirely for freight and compress charges, amounted to \$239,363, making the net amount to be accounted for to members, \$3,882,860.

Deductions were made for interest, insurance, warehousing, weighing, yardage, and storage, amounting to \$172,761; for association expense amounting to \$128,949; and one per cent reserve amounting to \$38,829; making a total of \$340,539. The amount distributed to the growers was \$3,542,321, which was 91 per cent of net sales.

Association expense was made up of eleven groups of items as follows: Directors and executive division, \$1,487; general manager's division, \$36,124; legal expense, \$4,606; financing expense, \$207; procuring cotton, \$34,771; securing members, \$2,915; assembling cotton, \$1,031; classing cotton, \$7,913; selling cotton, \$18,411; general office expense, \$29,999; organization expense, \$1,575; total, \$139,039.

The one per cent of net sales deducted for operating capital is credited to a revolving fund, from which refunds are made from time to time to the original contributors. During the past year the deductions for the first year of operation, amounting to \$43,351, were returned to growers. The balance in the reserve fund on July 31, 1927, was \$124,307.

BURLEY ASSOCIATION TO SELL TOBACCO AT AUCTION

According to the terms of a resolution adopted by the board of directors of the Burley Tobacco Growers' Cooperative Association, Lexington, Ky., at its regular monthly meeting, the association will sell its 1927 tobacco at auction.

Upon the recommendation of the president, it was decided to open the association's market at Lexington on December 5, the day set for opening the independent market. The markets at other sales points will be opened as required in order to serve growers with tobacco to be marketed.

In addition to Lexington, the association plans to operate sales houses at Maysville, Shelbyville, Paris, Carrollton, Sterling, Cynthiana, Camp Taylor, Bloomfield, Springfield, Lebanon, Harrcdsburg, Danville, Greensburg, Horse Cave, Glasgow, Richmond, Madison, Ind., and Ripley, Ohio. Arrangements are being made to have buyers at all other points where the association receives tobacco.

Several departments of the association will be eliminated as they will not be required under the auction selling system. This will release a number of employees and make a reduction in the expenses of the association.

The management is planning to publish the Burley Tobacco Grower, the official organ of the association, without cost to the growers, for the coming selling season.

Many meetings of growers were held during the fall at various points, with addresses by prominent speakers. At some places a barbecue was held in connection with the meeting, this feature being a contribution by business men and farmers. These gatherings were a part of a campaign for re-signing the membership.

This membership campaign was endorsed by many bankers and business men. Louisville banks voted to send representatives out with growers to urge farmers to join the association and renew their marketing agreements. A number of chambers of commerce gave their support to the campaign. The management aimed to secure the signatures of growers controlling 75 per cent of the tobacco acreage, by November 15, but as that goal was not realized the association is now planning to sell tobacco at auction for its members or any others who desire the service, without pooling, commingling or grading, each grower will be paid in full for his tobacco on the day of the sale. In the meantime the membership campaign is to be pushed.

It is reported by the management that the accounting work is being hastened preparatory to a distribution of \$6,000,000 on tobacco of the 1923 crop. The checks are expected to be in the hands of the growers before the end of November.

### INCREASED MEMBERSHIP FOR CALIFORNIA WALNUT GROWERS

When the membership books of the California Walnut Growers' Association, Los Angeles, were closed on August 1, last, the organization had a total membership of 4,893. During the seven months that the books were open for new members, 786 applications were received and accepted. As the losses by death, by members moving away or ceasing to grow walnuts, was about 200, the net gain for 1927 over 1926 was 536 members.

The management of the association estimates that the present membership controls about 90 per cent of the walnut acreage of the state, and that the association will handle not less than 85 per cent of the 1927 crop which is reported to be a large one.

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### SYRUP MARKETED COOPERATIVELY IN GEORGIA

Sales by the Cane Growers' Cooperative Association, Cairo, Ga., for the 1926 marketing season came to \$157,413, the smallest since the organization of the association in 1922. Expenses for the year were \$20,198. Producers received 137,215, or 87 per cent of the sales value of the product. This was a favorable showing compared with previous years.

A portion of each season's crop is canned by a subsidiary organization, the Cane Growers' Canning and Warehouse Company. This subsidiary had fixed assets of \$29,219, and outstanding share capital of \$29,639, on July 30, 1927. Some seasons a profit is made on the canning operations and other seasons there is a loss.

The quantity of cane syrup handled by the association each season since its organization, the sales value, the amount for distribution among producers, and the percentage which this amount is of the proceeds, as compiled from the annual audits, are given below:

Marketing season	Syrup handled (Gallons)	Proceeds*	For distribution to producers	
			Amount	Per cent
1922-23	---	\$400,000	---	---
1923-24	---	302,877	---	---
1924-25	252,261	194,975	\$159,738	82
1925-26	503,995	234,984	185,868	79
1926-27	334,450	157,413	137,215	87

\* Sales and inventories.

### BUYING ASSOCIATION FOR VIRGINIA FARMERS

Seeds of known origin, open-formula fertilizers, and open-formula feeds are the three specialities of the Virginia Seed Service, Inc., Richmond, Va., a farmers' cooperative buying organization which has now operated a little more than four years and increased its business by 50 per cent each year. Approximately 50,000 farmers of Virginia and adjoining states are now buying supplies through this cooperative.

A new plan, just adopted by the directors, provides that each man purchasing supplies shall be given a coupon for the amount of the purchase, to the nearest \$5. These coupons will be turned in during July of each year, beginning in 1929, and a value will be assigned based on the net earnings of the association for the preceding year, after which the association will issue shares of capital stock for the value of the coupons. This stock has a par value of \$5 and will pay 10 per cent interest, if earned. When ample capital has been created through the capitalization of surplus, the longest outstanding stock will be retired for cash at par.

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### OHIO EQUITY PAYS REGULAR DIVIDENDS

Since the West Salem Equity Exchange, West Salem, Ohio, began business in 1919 it has not failed to make an annual distribution of net earnings. In that time its net earnings have amounted to \$31,680. The lines of business handled are grain, lumber, coal, livestock, seed, fertilizer, and feed. Sales for the past year were \$153,440, and earnings to the amount of \$5,267 were realized from all operations.

The dividends paid the several years have been as follows:

Year	Dividends on share capital	Refunds to shareholders	Refunds to non- shareholders	Total distri- bution
1919	\$ 767	\$1,988	\$3,649	\$6,404
1920	*1,257	617	1,059	2,933
1921	*1,257	---	---	1,257
1922	*1,257	---	---	1,257
1923	*1,245	1,177	---	2,422
1924	**1,632	1,508	---	3,140
1925	***1,827	1,618	---	3,445
1926	***1,818	1,654	---	3,472

\* Three per cent. \*\* Four per cent. \*\*\* Four and one-half per cent.

MASSACHUSETTS BUYING ASSOCIATION

In 1917 the farmers near Topsfield, Mass., created the Essex County Cooperative Farming Association for the purchase of fertilizers and feeds. In 1918 the purchases amounted to 186 cars; in 1921, 204 cars; and in 1923, 330 cars. Total purchases for the last ten years amount to approximately \$2,000,000. At the close of 1926 the net worth of the association was \$26,846, including a surplus of \$3,696. The net earnings for 1926 were \$1,994. Refunds on sales for the year were \$4,445. Returns on share capital are limited to 5 per cent.

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JERSEY FARMERS BUILD COOPERATIVE MARKET

A farmers' market has been established by the North Shore Cooperative Association at Neptune City, N. J. The members of the association are Monmouth County farmers who organized in June of 1926 because of dissatisfaction with the privately owned market. The new farmer-owned and controlled market is valued at \$50,000. About 150 farmers provided the initial share capital. Last year this enterprise showed net earnings of over \$5,500, paying 6 per cent interest on capital and applying the remainder to the mortgage. More than 300 growers sold their produce on the new market.

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OKLAHOMA FARM WOMEN HAVE WEEKLY MARKET

Farm women of Garfield County, Oklahoma, have worked out a plan for selling their dairy products, eggs and poultry, fresh fruits and vegetables, and have established their own market at Enid.

The first steps were taken by the county federation of farm women's clubs, with the help of the home demonstration agent. Space was secured in the community building and the market began business in a modest way in September, 1925. Sales on the first day were about \$50 but now run from \$300 on an average day to near \$600 before a holiday. The market is open every Saturday from 8:30 A. M. to 1:00 P. M. On the day before a holiday that does not come on Monday a special market is generally held.

The market is managed by a board of five women, one of whom is secretary-treasurer. A paid floor manager is on duty every sales day. Prices for all products are set by the manager and posted before opening hours, and all goods are sold at these prices. The privilege of selling is open to all farm women's clubs on payment of an entrance fee and a daily rental for booths. All expenses are met by these fees. The space and equipment have been increased from time to time and a larger variety of products is now offered for sale.

### QUEENSLAND PLAN SAVES MONEY FOR FARMERS

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A report of the operations of the Queensland Producers' Association, Brisbane, Australia, for the year ending June 30, 1927, prepared by the Queensland Director of Marketing, reviews the work of the commodity marketing boards, set up for different commodities. These boards give the producers opportunity to establish cooperative control of the marketing of their products, when two-thirds of the growers of any product so vote. The plan was worked out on the theory that the products of nonmembers often neutralized the benefits of cooperative effort, while complete control made possible more favorable marketing conditions.

During the past year the following commodities were marketed through boards organized for the purpose: butter, cheese, eggs, arrow-root, cotton, peanuts, broom millet, canary seed, Atherton Maize, and Atherton pigs. The marketing of wheat and sugar is controlled under separate statutes. A Council of Agriculture is made up of one representative of each of the organized industries.

This plan is stated to have worked successfully, and for the year ending June 30, 1927, the result of this organized effort was a net gain to the producers of Queensland of more than one million pounds sterling.

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### STATISTICS OF BRITISH RETAIL SOCIETIES

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Statistics regarding the retail distributive societies of Great Britain and Ireland, published by the Cooperative Union, show a continuation of the rapid growth of cooperative membership. In 1926 the membership increased by 275,745, bringing the total to 5,186,728. This rapid increase in number of members is not due to the establishment of new societies but principally to the increase in membership of the large societies. There are now only one or two towns in Great Britain without a large society where one is possible. As the number of large societies increases, the smaller societies become less numerous, and the total number becomes less year by year, owing to consolidation and absorption of small societies by large ones. At the end of 1926 there were 1,280 retail societies compared with 1,379 at the close of 1920. As a result the average number of members per society has risen from 1,186 at the end of 1900, and 2,205 in 1914, to 4,052 at the end of 1926.

Share capital increased during 1926 by over £2,300,000 in spite of the industrial difficulties and unemployment of the year. Loan capital increased by more than £530,000, while the balance in banks for small savings declined from £4,200,000 to £4,100,000. Average sales per member fell from £37.38 in 1925 to £35.64 in 1926, all sections showing a decrease except the Southern section.

### TERMINATION OR DISSOLUTION OF COOPERATIVES

How may incorporated cooperative associations cease to exist or be dissolved? It is obvious that if the charter of an association specifies that it expires at the end of say thirty years, at the expiration of that period the association ceases to exist. It may be noted that the laws of some of the states permit of re-incorporation provided that this is done within the period allowed by law for this purpose.

If an association is acting ultra vires, that is, beyond its powers, or is acting contrary to the law of the state in which it was organized, the state could, through the institution of proceedings in the courts, usually known as quo warranto proceedings, revoke the charter of the corporation if the court found that reasons therefor existed.

If all the shareholders of a corporation, and this of course would include any incorporated association, agree that they are desirous of dissolving the association, it could be done through action instituted in the courts for this purpose. Sometimes the statutes under which corporations are formed specify the number or the per cent of the members or shareholders who must agree in seeking the dissolution of the corporation, but generally this is not the case. If a commercial corporation is meeting with reasonable success the courts quite generally have held that a majority of the shareholders can not force a dissolution of the corporation as against the minority shareholders, and no reason is apparent why the courts would not apply the same principle if a cooperative association was involved.

Again, in the case of commercial corporations the general rule is that those in charge of the corporation may not dispose of all of the property of the corporation if the corporation is meeting with reasonable success and a minority of the shareholders are opposed to such action, and it is believed that the courts would adopt a like view with respect to the sale of the property of a cooperative association. The sale of the property of a corporation or association disables it from continuing in business, but does not of course in itself effect a dissolution of the organization. The corporate entity would continue after the sale of all the property.

Again the courts generally hold that the failure to elect officers or directors for a corporation does not effect a dissolution thereof. In this connection it is interesting to note that the usual rule is that the officers and directors of a corporation who were last elected continue to be regarded, for some purposes at least, as the officers and directors of the corporation even though their terms of office have long since expired. In some states this matter is governed by statute, and by law the officers and directors last elected are declared to be the officers and directors of the corporation even though their terms of office have expired. Unless the statute under which a cooperative association is organized prescribes a different rule, it is believed that the courts would apply the same rules regarding the matters just discussed to an association as they now apply to commercial corporations.

TEXAS JUDGE DISQUALIFIES HIMSELF

The case of the Texas Farm Bureau Cotton Association v. Lennox et al., 297 S. W. 743, presents some novel and interesting situations. The association filed suit against H. H. and C. D. Lennox, members of the association, for alleged violation by them of their marketing contract. This case was appealed on two occasions and was twice passed upon by the Courts of Civil Appeals and once by the Supreme Court of the State. After the last reversal on appeal the defendants filed a motion in the trial court, asking that the trial judge hold himself disqualified to try the case; and the trial judge, because he had married the sister of one of the members of the association and because one of the members of the association had married his sister, held himself disqualified, and the acting Governor of the State then appointed another judge to try the case.

The cotton association then filed a motion in the Supreme Court for leave to file a petition for mandamus against the trial judge for the purpose of compelling him to try the case. In order that the status quo might be preserved with reference to the case in the trial court, pending the decision of the Supreme Court upon the application for a mandamus against the trial court, the association applied to a justice of the Supreme Court of the State for an injunction against H. H. and C. D. Lennox, their agents and attorneys, for the purpose of preventing them from taking any further action regarding the trial of the suit brought against them by the association, and also asked the justice of the Supreme Court for a writ of prohibition for the purpose of preventing the justice who had been appointed by the acting Governor of the State to try the case from doing so. The justice of the Supreme Court of Texas to whom these matters were presented, finding that there was doubt regarding the eligibility of the trial judge to try the case, issued the injunction prayed for and the writ of prohibition. The two parties against whom the association originally brought suit were not related to the trial judge in any way, but the trial judge, apparently being of the opinion that all the contracts of the association constituted one contract, regarded himself as disqualified. In presenting the matter to the justice of the Supreme Court it was urged by counsel for H. H. and C. D. Lennox that they might be seriously damaged if the case brought against them by the association was not tried "at the present term of the district court." "In response to this, the statement was made by relator's attorney, without dispute, that the relator has \$1,000,000 in its reserve fund. This fund is of course available for the payment of its debts. It is a corporate fund, a trust fund, and can not be dissipated until the debts of the corporation have been paid. Associated Fruit Co. v. Idaho-Oregon Fruit Growers' Association (Idaho) 256 P. 99."

L. S. Hulbert.

### REPORT OF SECOND INTERNATIONAL WHEAT POOL CONFERENCE

The Proceedings of the Second International Cooperative Wheat Pool Conference, held at Kansas City, Mo., May 5, 6 and 7, 1927, make a booklet of 152 pages. It contains a list of the delegates from each of the four countries represented, Australia, Canada, United States, and Soviet Russia, also a full report of each session, including addresses, discussions, and business transacted.

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### STORY OF "NEMPA" TOLD IN SERIES OF LETTERS

"My Personal Word," a 200 page book, by Richard Pattee, late managing director of the New England Milk Producers' Association, consists of a series of letters which were published under the above caption in the New England Dairyman from December, 1917, to August, 1927. The letters contain more or less of the inside history of the association and its struggles, as well as much cheerful philosophy and quiet humor.

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### ADVICE ON STARTING STORES IN SASKATCHEWAN

"Starting a Cooperative Store" is discussed in a mimeographed bulletin issued by the executive committee of the Cooperative Trading Associations, Saskatchewan, for the benefit of groups of farmers who contemplate going into business. A thorough canvass of the situation and its possibilities is recommended as the first step. Methods of procedure are outlined for organizing a society and for starting and conducting the business. Attention is called to certain pitfalls.

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### FEDERATION GUIDE ISSUES MEMORIAL SUPPLEMENT

In connection with its November number the Federation Guide, the official organ of the Wisconsin Cheese Producers' Federation, Plymouth, Wis., has issued a "Henry Krumrey Memorial Supplement" of eight pages, with many illustrations. Details are given of the exercises held in connection with unveiling two tablets to the memory of Mr. Krumrey, founder of the Wisconsin Cheese Producers' Federation. One writer tells the story of Mr. Krumrey's life and many others testify as to the nobility of his character and the value of his work.

#### REPORTED BY THE ASSOCIATIONS

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A representative of the International People's College at Elsinore, Denmark, who recently visited this country, stated that special attention was given to cooperation by the students of that college who come from the various countries.

Irish potato sales by the Carolina Cooperatives Consolidated, Florence, S. C., amounted to \$77,021 for the year ending August 12, 1927. Shippers were paid \$68,911, or 89 per cent of sales. Sales of the Pecan Growers' Association totaled \$58,190, of which \$53,365, or 92 per cent, was paid to shippers. At the close of the year the Carolina Cooperatives Consolidated had a net worth of \$3,142.

Less than 15 per cent of the membership of the Calavo Growers of California, Los Angeles, withdrew from the organization during the recent withdrawal period. The membership is now about 400 and a campaign for new members is being undertaken. With a large increase in the quantity of this fruit coming on the market, the management of the association is convinced that it will be necessary to make efforts to create an increased demand.

The first annual wool show sponsored by the Pacific Cooperative Wool Growers, Portland, Oreg., was held October 29 to November 6 at Portland in connection with the Pacific International Livestock Exhibition. Nearly 100 fleeces of wool and mohair from Washington, Oregon, California, Idaho and Montana, were entered in the competition. This was considered an exceptionally fine collection of fleeces. In addition to cash prizes and ribbons, several silver trophies were awarded.

In addition to running an elevator and a warehouse, the Spencer Equity Exchange Company, Spencer, Ohio, has purchased a mill nearby and installed equipment for grinding and mixing feed. This has now developed into one of the largest lines of business handled. Sales for the year ending June 30, 1927, amounted to \$177,045 and net earnings to \$4,667. Each year since 1922 has resulted in a net gain, and the book value of the stock, after providing for a 6 per cent dividend, is now \$139.51.

A fine community hall was recently dedicated at Greenwood, Wis., on the second floor of the cooperative cheese warehouse of the Clark County farmers. Plans have been made to establish a ladies' rest room in the same building and to make the community hall a recreational and educational center. A cooperative marketing institute is scheduled for the new hall, for three days beginning November 30. The building which houses the cheese warehouse and the community center was remodeled from a defunct flour mill.

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SELECTED LIST OF PUBLICATIONS AND ARTICLES

As Others See it. Editorial. Nebraska Farmer, Lincoln, Nebr., November 5, 1927, p. 6.

Ashby, R. C. Some Phases of the Live Stock Marketing Problem. National Live Stock Producer, Chicago, Ill., November, 1927, p. 6.

Cooperative Prune Marketing Should Be Supported. Oregon Farmer, Portland, Oreg., October 27, 1927, p. 2.

Cooperators Who Cooperate. Editorial. New England Homestead, Springfield, Mass., November 5, 1927, p. 6.

Cummins, J. W. Build a Foundation If You're Building for the Future. Wheat Growers' Journal, Wichita, Kans., November 1, 1927, p. 1.

Dobbins, Walter B. A Cooperative Centralizer. Hoard's Dairyman, Fort Atkinson, Wis., November 10, 1927, p. 1044.

Downie, Ernest R. Courts Frown on Attempts to Evade Pool Contracts: Supreme Courts of Many States Rebuke Growers Who Resort to Subterfuge. Wheat Growers' Journal, Wichita, Kans., November 1, 1927, p. 4.

Duffy, W. A. Cooperation and the Organized Farmer. Equity News, Milwaukee, Wis., November 1, 1927, p. 10.

Gage, Ralph. Cooperation and Peaches. California Cultivator, Los Angeles, Calif., November 12, 1927, p. 494.

Nourse, E. G. The Future of Cooperation in the United States. C.M.P.A. Bulletin, Hartford, Conn., November 1, 1927, p. 1.

Reid, Edwy B. Can Growers and Canners Cooperate to Advantage? Washington Farmer, Spokane, Wash., November 3, 1927, p. 13.

Successful Cooperative Marketing. California Cultivator. Los Angeles, Calif., November 12, 1927, p. 512.

Vint, J. H. Organization and Cooperation. Equity News, Milwaukee, Wis., November 1, 1927, p. 15.

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